

2949

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

RECEIVED
LEGISLATIVE AUDITOR
00 AUG 25 AM 9:32

LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.
Jena, Louisiana

Financial Statements and Auditor's Report

June 30, 2000
and for the Year Then Ended

With Comparative Totals at June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 08-30-00 *

JERI SUE TOSSPON
Certified Public Accountant

LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.
Jena, Louisiana

Financial Statements and Auditor's Report

June 30, 2000
and for the Year Then Ended

With Comparative Totals at June 30, 1999

LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.

TABLE OF CONTENTS

SECTION I - FINANCIAL STATEMENTS

Independent Auditor's Report	2
Statement of Financial Position	3
Statement of Activity and Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 9

SECTION II - COMPLIANCE AND INTERNAL CONTROL

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10 - 11
---	---------

SECTION III - SUPPLEMENTAL INFORMATION

Schedule of Directors' Compensation	12
-------------------------------------	----

SECTION I

FINANCIAL STATEMENTS

REPORT ON FINANCIAL STATEMENTS

JERI SUE TOSSPON
Certified Public Accountant
P O Box 445
Ferriday, Louisiana 71334-0445
(318)757-9393 Fax (318)757-4185
jtosspon@iamerica.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
LaSalle Association for the Developmentally Delayed, Inc.
Jena, Louisiana

I have audited the accompanying statement of financial position of the LaSalle Association for the Developmentally Delayed, Inc., (LADD), as of June 30, 2000, and the related statements of activities, net assets and cash flows for the year then ended. These financial statements are the responsibility of LADD's management. My responsibility is to express an opinion on these financial statements based on my audit.

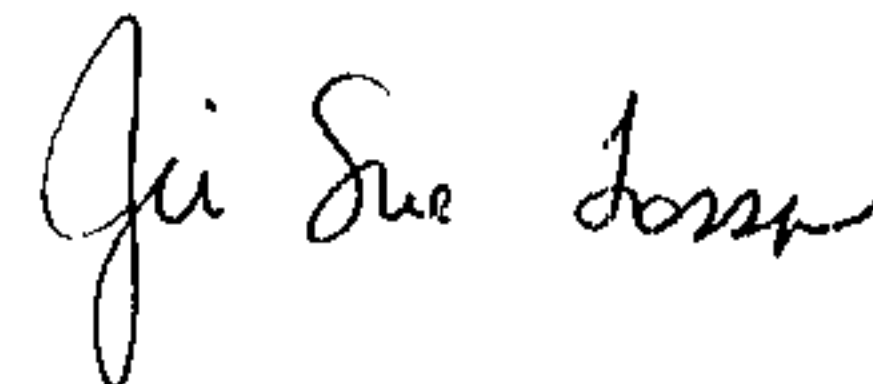
I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of LADD, as of June 30, 2000, and the results of its operations and the changes in financial position for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated July 13, 2000 on my consideration of LADD's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements of LADD. Such information has been subjected to the auditing procedures applied in the audit of the component unit financial statements' and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Ferriday, Louisiana
July 13, 2000



LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2000
(With Comparative Totals at June 30, 1999)

	General Fund	Work Project Fund	LADD Industries	June 30, 2000 Total	1999 Total
ASSETS					
Cash on hand and in banks	\$ 7,099	\$ 17,675	\$ 29,847	\$ 54,621	\$ 55,181
Cash in savings and certificates of deposit	14,012	51,317		65,329	62,651
Accounts receivable					
OCDD	11,345			11,345	7,280
Medicaid	1,154			1,154	502
Sales			258	258	418
Inventory			12,335	12,335	19,956
Prepaid insurance	897			897	
Fixed assets (Note 3)	1,490		49,181	50,671	61,409
Total Assets	\$ 35,997	\$ 68,992	\$ 91,621	\$ 196,610	\$ 207,397
LIABILITIES AND NET ASSETS					
Liabilities					
Payroll taxes payable	\$ 3,122	\$ 406	\$ 106	\$ 3,634	\$ 3,635
Unearned revenues	735			735	
Notes payable (Note 4)	952		70,880	71,832	87,547
Total Liabilities	\$ 4,809	\$ 406	\$ 70,986	\$ 76,201	\$ 91,182
Net Assets					
Unrestricted	\$ 31,188	\$ 68,586	\$ 20,635	\$ 120,409	\$ 116,215
Total Liabilities and Net Assets	\$ 35,997	\$ 68,992	\$ 91,621	\$ 196,610	\$ 207,397

See accompanying notes to financial statements.

LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.
STATEMENT OF ACTIVITY AND NET ASSETS
YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Year Ended June 30, 1999)

	General Fund	Work Project Fund	LADD Industries	June 30, 2000 Total	1999 Total
SUPPORT					
State contracts (Note 5)	\$ 168,428			\$ 168,428	\$ 173,335
LaSalle School Interagency	1,866			1,866	
Grants	2,500			2,500	
Contributions and memberships	3,965			3,965	9,124
Total Support	<u>\$ 176,759</u>			<u>\$ 176,759</u>	<u>\$ 182,459</u>
REVENUE					
Work project activities (Note 5)		\$ 52,045		\$ 52,045	\$ 52,802
Sales - LADD Industries			\$ 92,010	92,010	91,581
Fundraisers	\$ 3,133			3,133	
Interest	793	2,026	329	3,148	2,450
Total Revenue	<u>\$ 3,926</u>	<u>\$ 54,071</u>	<u>\$ 92,339</u>	<u>\$ 150,336</u>	<u>\$ 146,833</u>
Total Support and Revenue	<u>\$ 180,685</u>	<u>\$ 54,071</u>	<u>\$ 92,339</u>	<u>\$ 327,095</u>	<u>\$ 329,292</u>
COST OF GOODS SOLD (Note 6)			<u>\$ 81,693</u>	<u>\$ 81,693</u>	<u>\$ 62,937</u>
EXPENDITURES (Note 7)					
Salaries and client wages	\$ 105,696	\$ 34,328		\$ 140,024	\$ 160,693
Transportation	9,063			9,063	7,007
Rent	14,400			14,400	14,400
Insurance	8,248	2,076		10,324	10,503
Payroll taxes	8,408	2,531		10,939	15,418
Utilities	5,816		\$ 1,520	7,336	6,826
Training	2,359			2,359	175
Office and postage	3,236		34	3,270	2,956
Depreciation	9,152		2,595	11,747	20,799
Maintenance, repair and cleaning	4,406		1,137	5,543	4,965
Hospitalization	4,940			4,940	5,912
Equipment and supplies	1,535	2,507		4,042	2,674
Telephone	2,364			2,364	1,098
Travel	1,367			1,367	579
Interest	172		2,196	2,368	3,512
Professional fees	2,075			2,075	1,800
Food		1,022		1,022	477
Other - OMR reimbursible	2,314			2,314	1,559
Other - Non-OMR reimbursible (Note 7)	<u>3,921</u>	<u>1,320</u>	<u>469</u>	<u>5,710</u>	<u>7,077</u>
Total Expenditures	<u>\$ 189,472</u>	<u>\$ 43,784</u>	<u>\$ 7,951</u>	<u>\$ 241,207</u>	<u>\$ 268,430</u>
Excess (Deficit) of Support and Revenue over Expenditures	<u>\$ (8,787)</u>	<u>\$ 10,287</u>	<u>\$ 2,695</u>	<u>\$ 4,195</u>	<u>\$ (2,075)</u>
Transfer In	\$ 1,971	\$	\$ 14,141	\$ 16,112	\$
Transfer Out		15,096	1,016	16,112	
	<u>\$ 1,971</u>	<u>\$ (15,096)</u>	<u>\$ 13,125</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Assets, Beginning of Year	<u>\$ 38,004</u>	<u>\$ 73,395</u>	<u>\$ 4,815</u>	<u>\$ 116,214</u>	<u>\$ 118,290</u>
Net Assets, End of Year	<u>\$ 31,188</u>	<u>\$ 68,586</u>	<u>\$ 20,635</u>	<u>\$ 120,409</u>	<u>\$ 116,215</u>

See accompanying notes to financial statements.

LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.
STATEMENT OF CASH FLOWS
TOTAL - ALL FUNDS
YEAR ENDED JUNE 30, 2000
(With Comparative Totals for the Year Ended June 30, 1999)

	June 30, 2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 4,195	\$ (2,075)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	11,747	20,799
(Increase) decrease in:		
Accounts receivable	(4,558)	15,029
Inventory	7,621	(8,413)
Prepaid expenses	(897)	
Increase (decrease) in:		
Unearned income	734	
Accrued payroll tax		1,255
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 18,842</u>	<u>\$ 26,595</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>\$ (1,010)</u>	<u>\$ (1,240)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>\$ (1,010)</u>	<u>\$ (1,240)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of debt	<u>\$ (15,714)</u>	<u>\$ (14,547)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>\$ (15,714)</u>	<u>\$ (14,547)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ 2,118</u>	<u>\$ 10,808</u>
CASH AT BEGINNING OF YEAR	<u>117,832</u>	<u>107,024</u>
CASH AT END OF YEAR	<u><u>\$ 119,950</u></u>	<u><u>\$ 117,832</u></u>
SUPPLEMENTAL DISCLOSURES		
Interest paid	\$ 2,368	\$ 3,512

See accompanying notes to financial statements.

LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1 - LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED

LaSalle Association for the Developmentally Delayed, Inc., (LADD) was organized in 1976 to promote the general welfare of retarded citizens wherever they may be, and, specifically, to provide as normal a work and learning atmosphere in the least restrictive environment for retarded adults in LaSalle Parish. The Association receives funding from the State of Louisiana, Office for Citizens with Developmental Disabilities (OCDD), the Louisiana Medicaid Program, the LaSalle Parish School Board, performs services for the general public under its Work Project program, and receives funds for other activities from memberships and contributions. In 1991, the Association began operations of LADD Industries to provide further supported employment opportunities for its clients.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of resources available to LADD, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund and, accordingly, all financial transactions have been recorded and reported in the following fund groups:

General Fund - Resources are provided under several contracts from the State of Louisiana and the LaSalle Parish School Board, based on the days or types of services provided, and by other sources such as interest, contributions, and membership dues. Expenditures are of a nature of those specified by the State in its *Guidelines for Allowable Costs* from the OCDD, except as noted hereafter.

Work Project Fund and LADD Industries Fund - Resources are provided as fees for services performed by or sales of products made by the clients and interest and are used to pay wages to the clients and other costs as needed for these services, including the purchase of the LADD Industries building.

B. Income Tax Status

LADD qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes.

NOTE 3 - FIXED ASSETS AND DEPRECIATION

During past years, LADD received three vans through the Urban Mass Transit Act grant, Section 16(b)(2) program, through the Louisiana Department of Transportation (DOTD). LADD has capitalized their 30% matching portions of the vans in addition to the 70% in-kind grant funds received. The DOTD holds a reversionary interest in the vans. Fixed assets consist of these vans and other small items. Ownership of all fixed assets in the general fund of LADD would revert to the Department of Health and Hospitals, OCDD, if LADD were to cease to function. Depreciation is provided on a straight-line basis over various lives recommended by the OCDD.

There are also fixed assets owned by LADD Industries in the amount of \$68,576 and \$67,566 in 2000 and 1999 respectively, including the LADD Industries building and real estate in the amount of \$54,735. Depreciation on these assets is provided on the straight-line basis over their useful life.

	Balance June 30, 1999	Additions	Retirements	Balance June 30, 2000
General Fund	\$ 76,325	\$		\$ 76,325
Work Project Fund				
Ladd Industries	67,566	1,010		68,576
	\$143,891	\$ 1,010		\$144,901
Less Accumulated Depreciation	82,482	\$ 11,747		94,230
	<u>\$ 61,409</u>	<u>\$ 10,737</u>		<u>\$ 50,671</u>

NOTE 4 - NOTES PAYABLE

Notes payable consist of the following:

General Fund - Southern Heritage Bank secured by
certificates of deposit, for the 1995 van, bearing interest
at 6.6%, payments of \$172 per month \$ 179

General Fund - Southern Heritage Bank secured by
certificates of deposit, for the 1996 van, bearing interest
at 6.6%, payments of \$172 per month 773

LADD Industries - Small Business Administration secured by mortgages on the LADD Industries building and inventories, bearing interest at 3%, payments of \$1,163 per month	<u>70,880</u>
	<u>\$ 71,832</u>

The future scheduled maturities of long-term debt are as follows:

Years ended June 30,	
2001	12,886
2002	12,181
2003	12,551
2004	12,933
2005	13,326
Thereafter	<u>7,955</u>
	<u>\$ 71,832</u>

NOTE 5 - SUPPORT AND REVENUE

State support in the general fund was as follows:

OCDD - Day Habilitation Program	\$160,246
Medicaid Title XIX Program	<u>8,182</u>
	<u>\$168,428</u>

Ladd Industries has been involved in the assembly of U S Government Wash Kits (through the aid of the National Industries for the Severely Handicapped Organization), assembly of admission kits for sale to local hospitals, the resale of clothing and other items, and fabrication of crawfish nets for retail and wholesale sale.

NOTE 6 - COST OF GOOD SOLD

Cost of good sold is made up of the following:

Beginning inventory		\$ 19,956
Add: Cost of production		
Labor	\$ 15,002	
Materials	33,724	
Freight	57	
Taxes	1,936	
Other	<u>558</u>	<u>51,277</u>
Total goods available for sale		\$ 71,233
Less: Ending inventory		<u>12,335</u>
Cost of goods sold - manufactured items		\$ 58,898
Items bought for resale		<u>22,795</u>
Total cost of goods sold		<u>\$81,693</u>

NOTE 7 - EXPENDITURES

Expenditures in the general fund were made in accordance with the specifications listed by the Office for Citizens with Developmental Disabilities in their *Guidelines for Allowable Costs - Adult Day Services for Persons with Developmental Disabilities*, except as follows:

Directors Fees	\$ 1,900
Applicable payroll taxes	149
Depreciation	6,201
Other (net)	<u>1,871</u>
	<u>\$10,121</u>

These costs were not paid with state funds, but by local funds raised by LADD.

NOTE 8 - PENSION PLAN

LADD does not have a retirement plan for its employees.

NOTE 9 - LITIGATION

LADD is not directly involved in any litigation as of June 30, 2000. A consumer has made a workmen's compensation claim that is being handled by the insurer and LADD is expected to have no liability in the case.

SECTION II
REPORT ON COMPLIANCE
AND INTERNAL CONTROL

JERI SUE TOSSPON
Certified Public Accountant
P O Box 445
Ferriday, Louisiana 71334-0445
(318)757-9393 Fax (318)757-4185
jtosspon@iamerica.net

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
LaSalle Association for the Developmentally Delayed, Inc.
Jena, Louisiana

I have audited the financial statements of LaSalle Association for the Developmentally Delayed, Inc., as of June 30, 2000, and for the year then ended, and have issued my report thereon dated July 13, 2000. I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether LaSalle Association for the Developmentally Delayed, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contract and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements of the Association, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal

To the Board of Directors
LaSalle Association for the Developmentally Delayed, Inc.
Page Two

control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of management and the Legislative Auditor of the State of Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, reading "Jeli Sue Torspon". The signature is written in a cursive, flowing style.

Ferriday, Louisiana
July 13, 2000

SECTION III
SUPPLEMENTAL INFORMATION

**LASALLE ASSOCIATION FOR THE DEVELOPMENTALLY DELAYED, INC.
SCHEDULE OF DIRECTOR'S COMPENSATION
YEAR ENDED JUNE 30, 2000**

Cleveland Riser, President

\$ 1,900